

28 JUNE 2017

**1. CAPITAL ADJUSTMENTS AND CLOSING OF PROJECTS – TRANSIT
COMMISSION**

**AJUSTEMENT DU BUDGET DES IMMOBILISATIONS ET CESSATION DE
PROJETS - TRANSPORT EN COMMUN**

COMMISSION RECOMMENDATIONS

That Council:

- 1. Authorize the closing of capital projects listed in Document 1;**
- 2. Approve the budget adjustments as detailed in Document 2;**
- 3. Permit those projects in Document 3 that qualify for closure, to remain open and;**
- 4. Return to source the following funding balances and eliminate debt authority resulting from the closing of projects and budget adjustments:**
 - a) Transit Capital Reserve \$0.226 million;**
 - b) Para Transpo Fleet Reserve \$0.030 million;**
 - c) Debt Authority \$2.526 million.**

RECOMMANDATION DE LA COMMISSION

Que le Conseil :

- 1. approuve la clôture des projets d'immobilisation.**
- 2. approuve les ajustements budgétaires décrits dans le document 2;**

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- 3. permets que les projets mentionnés dans le document 3 qui se qualifient pour une clôture restent ouverts;**
- 4. retourne les soldes de financement suivants et d'éliminer le pouvoir d'endettement en raison de la clôture des projets et des ajustements budgétaires :**
 - a) 0,226 million de dollars dans le fonds de réserve des immobilisations du transport en commun;**
 - b) 0,030 million de dollars dans le fonds de réserve du parc de véhicule de Para Transpo;**
 - c) 2,526 millions de dollars se rapportant au pouvoir d'endettement.**

DOCUMENTATION / DOCUMENTATION

- 1. Deputy City Treasurer's report, Corporate Finance, dated 14 June 2017 (ACS2017-CMR-FIN-0018).**

Rapport de la Trésorière municipale adjointe, finances municipales, daté le 14 juin 2017 (ACS2017-CMR-FIN-0018).
- 2. Extract of Draft Transit Commission Minute, 21 June 2017.**

Extrait de l'ébauche du procès-verbal de la Commission du transport en commun, le 21 juin 2017.

**TRANSIT COMMISSION
REPORT 14**

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**COMMISSION DU TRANSPORT
EN COMMUN
RAPPORT 14
LE 28 JUIN 2017**

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**Report to
Rapport au:**

**Transit Commission
Commission du transport en commun
21 June 2017 / 21 juin 2017**

**and Council
et au Conseil
28 June 2017 / 28 juin 2017**

**Submitted on June 14, 2017
Soumis le 14 juin 2017**

**Submitted by
Soumis par:
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2017-CMR-FIN-0018

**SUBJECT: CAPITAL ADJUSTMENTS AND CLOSING OF PROJECTS – TRANSIT
COMMISSION**

**OBJET: AJUSTEMENT DU BUDGET DES IMMOBILISATIONS ET CESSATION
DE PROJETS - TRANSPORT EN COMMUN**

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REPORT RECOMMENDATIONS

That the Transit Commission recommend Council:

- 5. Authorize the closing of capital projects listed in Document 1;**
- 6. Approve the budget adjustments as detailed in Document 2;**
- 7. Permit those projects in Document 3 that qualify for closure, to remain open and;**
- 8. Return to source the following funding balances and eliminate debt authority resulting from the closing of projects and budget adjustments:**
 - d) Transit Capital Reserve \$0.226 million;**
 - e) Para Transpo Fleet Reserve \$0.030 million;**
 - f) Debt Authority \$2.526 million.**

RECOMMANDATIONS DU RAPPORT

Que la Commission du transport en commun recommande au Conseil :

- 1. d'approuver la clôture des projets d'immobilisation.**
- 2. d'approuver les ajustements budgétaires décrits dans le document 2;**
- 3. de permettre que les projets mentionnés dans le document 3 qui se qualifient pour une clôture restent ouverts;**
- 4. de retourner les soldes de financement suivants et d'éliminer le pouvoir d'endettement en raison de la clôture des projets et des ajustements budgétaires :**
 - d) 0,226 million de dollars dans le fonds de réserve des immobilisations du transport en commun;**
 - e) 0,030 million de dollars dans le fonds de réserve du parc de véhicule de Para Transpo;**
 - f) 2,526 millions de dollars se rapportant au pouvoir d'endettement.**

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BACKGROUND

Each year, staff prepares separate capital budget adjustments and closure reports for the Transit Commission and for the Finance and Economic Development Committee (FEDCo). Each report contains recommendations on projects that fall within the respective mandates of the Commission or FEDCo.

When a capital project is approved by Council, a projected year of completion date is established for the project. Projects are to be closed the year following the projected year of completion and require Council approval in order to be closed.

Capital projects that are recommended to be closed are listed in Document 1. In closing these projects, surplus capital reserve funds are first applied to those projects being closed that are in deficit and the remaining net surplus is returned to source. Additional reserve funds may also be used to refinance projects to reduce previously approved debt authority.

Budget adjustments involving capital projects can be processed under the limits established by Council as contained in the Delegated Authority by-law. Those adjustments that exceed these limits require Council approval.

Generally, budget adjustments to capital projects are required to:

- Adjust for increases or decreases in project costs;
- Consolidate similar accounts to facilitate issuing of contracts;
- Create separate accounts to facilitate project tracking;
- Account for the receipt of revenues not previously anticipated or for the over/underestimation of revenues; and
- Adjust project financing.

The Delegation of Authority By-law 2016-369, as amended, specifies those parameters in which budget adjustments may be made if authorized by the City Treasurer. Those capital budget adjustment requests that do not meet the delegated authority limits of the City Treasurer require the approval of City Council. Generally, Council authority is required for those capital budget adjustments involving:

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- Transfers between programs or internal orders in excess of 10% or \$100,000 whichever is the lesser;
- Transfers of debt authority between programs with previously approved debt authority, regardless of amount;
- Establishment of new projects outside the budget process;
- A reduction of or increase in funding authority; and
- Project closures.

This report includes those capital budget adjustments that require specific Council approval as per the details contained in Document 2. Document 3 lists the projects that qualify for closure but are recommended to remain open based on the rationale provided by the project managers.

DISCUSSION

The recommendations as proposed in this report to the Transit Commission and Council will result in the reduction of \$2.782 million in previously approved capital budget authority and will eliminate \$2.526 million of debt financing. Additional information on each recommendation is provided below.

Recommendation 1

Capital Projects Recommended For Closure

All capital projects recommended for closure are listed in Document 1. It also shows the net budget authority established for these projects, the actual spending incurred to deliver and complete the project and any resulting surplus or deficit.

Projects totalling \$129.897 million in net approved budget authority have been completed and are recommended for closure. Actual funding required is \$0.356 million less than budget which will result in \$0.256 million being returned to the Transit Capital Reserve and a reduction of \$0.100 million of debt authority that is not needed to fund these projects.

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Recommendation 2

Budget Adjustments Requiring Council Approval

Document 2 separates the budget adjustments requested by project managers (departmental requests) from those that are administrative adjustments.

Unlike those requested by departments, administrative adjustments do not have an impact on the scope or the nature of work, nor do they involve transfers between projects. Generally, they revise the financing of a project and require Council approval because they either involve debt financing or exceed the City Treasurer's delegated authority limits.

The overall impact of the departmental budget adjustments is a net reduction of \$2.426 million in the previously approved net budget authority for the projects listed in Document 2.

Recommendation 3

Capital Projects Requiring Council Approval to Remain Open

Capital projects will be considered for closure in 2017 if the stated completion date as established by the project manager is 2016.

Capital projects that qualify for closure, but are recommended to remain open based on the rationale provided by the project managers are listed in Document 3. Upon Council approval of this recommendation, the year of completion for these projects will be revised from a completion date of 2016 to its new completion date accordingly.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

Not applicable.

COMMENTS BY THE WARD COUNCILLOR(S)

Not applicable.

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ADVISORY COMMITTEE(S) COMMENTS

Not applicable.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk impediments to implementing the recommendations in this report.

FINANCIAL IMPLICATIONS

The impact of the closing of capital projects as recommended in Document 1 is summarized in the chart below. The net impact of these closures will reduce the debt financing requirement on transit projects by \$2.526 million.

Chart 1

Transit Commission Financial Implications	Document 1 Closures Return to Source / (Funding Required)	Document 2 Budget Adjustments Return to Source / (Funding Required)	Total Returned to Source / (Funding Required)
Tax/Other Reserves			
Transit Capital Reserve	226,050	-	226,050
Para Transpo Fleet Reserve	29,747	-	29,747
Federal Gas Tax	-	-	-
Provincial Gas Tax	-	-	-
	255,797	-	255,797
Development Charge	-	-	-
Debt Financing			
Transit Tax Funded Debt	100,000	-	100,000
PTIF Debt	-	2,426,000	2,426,000
Development Charge Funded Debt	-	-	-
Federal Gas Tax Funded Debt	-	-	-
Provincial Gas Tax Funded Debt	-	-	-

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Transit Commission Financial Implications	Document 1 Closures Return to Source / (Funding Required)	Document 2 Budget Adjustments Return to Source / (Funding Required)	Total Returned to Source / (Funding Required)
	100,000	2,426,000	2,526,000
Grand Total	355,797	2,426,000	2,781,797

ACCESSIBILITY IMPACTS

There are no accessibility impact implications with this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

TERM OF COUNCIL PRIORITIES

The recommendations in this report support the 2015-18 Term of Council priorities (FS1 “Demonstrate sound financial management.”)

SUPPORTING DOCUMENTATION *(Held on file with the City Clerk)*

Document 1 – Capital Projects Recommended for Closure

Document 2 – Budget Adjustments Requiring Council Approval

Document 3 – Projects Requiring Council Approval to Remain Open

Document 4 – Transit Reserve Fund Status

DISPOSITION

Upon approval of this report, Financial Services will process the necessary adjustments.